DISTRICT OF COLUMBIA RETIREMENT BOARD
STATEMENT OF GENERAL INVESTMENT POLICIES AND GUIDELINES

INTRODUCTION

The District of Columbia Retirement Board (the "Board"), a defined benefit plan, manages and controls the assets belonging to the Teachers Retirement Fund and the Police Officers and Firefighters Retirement Fund (the "Funds"). The Board is charged by law with the responsibility for the investment of these assets. The assets of the Funds are commingled for investment purposes.

The Board retains the services of investment advisors to manage individual investment portfolios. Investment Managers are accorded full discretion, within general and specific Investment Manager policy guidelines, limits and restrictions, to select and time purchase and sale transactions and to diversify assets appropriately.

The standard of investment for the Funds shall be to exercise the judgment, care, skill and diligence under circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with like character and like aims by diversifying the investments of the Funds to minimize the risk of large loss, unless under the circumstances it is clearly prudent not to do so, and in accordance with the documents and instruments governing the Funds. All fiduciaries, including Investment Managers, must discharge their duties with respect to the Funds solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to such membership and their beneficiaries and defraying reasonable expenses of administering the Funds.

The Investment Committee (a committee of the whole) meets regularly to review policies, transactions, and investment results of Investment Managers and the Funds. The Investment Committee reports to and makes recommendations to the Board of Trustees. Investment Managers must be available to meet with the Investment Committee, or the Board of Trustees at its discretion, for a discussion of the assets under management. All Investment Managers are invited to participate in the evaluation process and to contribute to the strategic planning process on a continuing basis.

Investment Managers must ensure that, at a minimum, its portfolio managers can manage an account consistence with any guidelines the Investment Manager accepts and that its personnel and systems can ensure compliance with the guidelines. All changes to investment guidelines must be confirmed in writing and circulated to all affected persons. Periodically, Investment Managers should confirm and /or review guidelines with the Investment staff to insure that they continue to be appropriate for the investment portfolio account.

INVESTMENT PERFORMANCE EVALUATION

To facilitate ongoing review of the investment program, the Board has established performance goals for the Funds, as well as individual portfolios and strategic asset classes. The Investment Committee will review performance relative to objectives on a quarterly basis.

Fund Objectives

A. In a manner consistent with the Funds' objectives and risk constraints, manage the assets so as to target a return that meets or exceeds the actuarial investment assumption (net 7.00% nominal return) over long periods of time.

B. Exceed the annualized return of the Funds Policy Benchmark.

C. Accept as the Funds' risk objectives a level of risk commensurate with the expected levels of return and consistent with prudent investment practices; an appropriate level of liquidity to ensure payments of benefits, other Fund obligations and expenses; and diversification to manage exposure to asset class, manager, industry, geographic and company-specific risks, while acknowledging the risks associated with investing in the capital markets.

Asset Class	Performance Benchmark	Weight
Public Equity		**50%**
Domestic Equity	Russell 3000	22%
Non US Developed Markets Equity	MSCI World ex. U.S.	20%
Non US Emerging Markets Equity	MSCI Emerging Markets	8%
Fixed Income	Barclays US Universal Bond	**25%**
Investment Grade Bond	Barclays Aggregate Bond	15%
TIPS	Barclays U.S. TIPS	3%
High Yield Bonds	Barclays High Yield Index	3%
Emerging Market Debt	JPM GBI-EM Global Diversified	2%
Foreign Developed Bond		2%
Alternatives		**25%**
Hedge Funds	1 Month Libor	10%
Private Equity	Cambridge Associates (1-quarter lagged)	8%
Real Estate	80% NCREIF ODCE +20% Wilshire RESI	5%
Infrastructure	CPI + 7%	2%

This policy will allow the Investment Committee to compare Fund performance relative to the strategic asset allocation policy.

STRATEGIC ASSET ALLOCATION POLICY

Over the long term, asset allocation policy will be a key determinant of the level and volatility of returns generated by the Board. The following asset allocation structure was adopted by the Board in 2011. In considering the strategic asset allocation, the Investment Committee discussed the expected risk, return and correlation of various mixes of assets.

Strategic Asset Allocation as of 2011

Asset Class	Target Allocation
Domestic Equities	22%±4%
International Developed Equities	20%±4%
Emerging Markets Equity	8%±2%
Fixed Income	25%±5%
Alternative Investments	25%

REBALANCING POLICY

The Board recognizes that market forces or other events may move the Fund's asset allocations outside their target ranges. The Board also recognizes that failing to rebalance the allocations would unintentionally change the Fund's structure and risk profile. Consequently, the Board has established the following rebalancing policy.

On a quarterly basis, if any strategic asset allocation is outside the specified target range, the CIO, in consultation with the Investment Consultant, will rebalance to return the asset class to the outer edge of the target range. However, in the event that Fund cash flows are anticipated which may be used to implement the rebalancing, the CIO, in consultation with the Investment Consultant, has the discretion to utilize the cash flows to accomplish rebalancing. The Board recognizes that in some instances this may slightly delay implementation, but also will help to control transaction cost. Further, in the event the CIO, in consultation with the Investment Consultant, believes rebalancing to be unsuitable, a written recommendation for an alternative course of action will be provided to the Board at the next regularly scheduled Investment Committee meeting.

The Board also recognizes that the Funds' strategic asset allocation represents long-term target ranges and not short-term imperatives. As such, the Board authorizes the CIO, in consultation with the Investment Consultant, to make transfers among asset classes and Investment Managers, as long as such transfers do not move asset classes outside target ranges.

The rebalancing program will primarily apply to publicly traded asset classes. It is understood that less liquid asset classes, such as real estate and alternative investments, do not lend themselves to economically efficient rebalancing. Investment Managers will be notified in writing in advance of any rebalancing activity.

INVESTMENT MANAGER BENCHMARKS AND PERFORMANCE OBJECTIVES

The investment objective of each actively managed portfolio is to outperform a representative broad market index. Each investment style category included in the investment program is expected to contribute to the achievement of the objective over a rolling three year period.

Time weighted returns will be calculated monthly by the custodian to measure the performance of the Funds and Investment Managers in comparison with the Funds' objectives, appropriate peer groups and managers and performance benchmarks.

A detailed performance report will be prepared quarterly by the Investment Consultant retained by the Board. This report will include information on the Fund, individual asset classes and Investment Managers for the current quarter, year to date, rolling 1, 3, 5, 7, 10 years and since inception. Investment performance results, strategies, risk and structure will be reviewed by the Investment Committee.

Fund Segment	**Index**	**Gross Alpha Target**
U.S. Equities	Russell 3000	Replicate
Large Cap Growth	Russell 1000	200 bps
Index Plus	S&P 500	outperform
Developed Market Equities		
International Growth	MSCI EAFE	250 bps
MSCI World (exUS) Index	MSCI (exUS)	Replicate
Emerging Market Equities		
Emerging Market Equity Fund	MSCI EMF	Outperform
Emerging Market Index Fund	MSCI EMF	Replicate
Fixed Income	Barclays U.S. Universal Index	
Core Plus	Barclays U.S. Universal	Outperform
TIPS	Barclays US TIPS	Outperform
High Yield Bonds	Barclays High Yield	Replicate
Emerging Markets Debt	JPM GBI-EM Global Diversified	Replicate

Cash – Citigroup 3 Month T Bills

Alternatives:

Real Estate

The total net return of the real estate segment is a blend of the returns of the NCREIF ODCE (Net) (80%) and the Wilshire RESI (Net) (20%). The return objective is to exceed the blended benchmark on a total net return basis over rolling five-year periods. As a secondary performance metric, the private portion of the segment is designed to exceed the NCREIF ODCE (Net) + 150 basis points over rolling five year periods.

Private Equity

The private equity segment seeks to earn an internal rate of return greater than the ten year annualized return of the Russell 3000 Index plus 500 basis points.

Hedge Fund

The multi-strategy hedge fund is a diversified collection of alpha strategies which seek to deliver a high information ratio from active management at a low correlation to markets and other active managers. The Pure Alpha Fund targets a 12% gross annual value added with 12% annual tracking error. The hedge fund segment is expected to outperform the return of the one-month LIBOR.

Energy

The Private Energy Program is to enhance the total fund performance through the investment in non-publicly traded vehicles that invest in a variety of energy assets. Private energy investments are expected to be very illiquid and long-term in nature.

Over the long-term, performance of the Private Energy Program is expected to equal or exceed the Cliffwater Private Energy Index for partnerships and the program strategy over five-year rolling periods.

Infrastructure/Opportunistic

The Private Infrastructure/Opportunistic Program is to enhance the total fund performance through the investment in non-publicly traded vehicles that invest in a broad array of infrastructure projects. Private infrastructure investments are expected to be very illiquid and long-term in nature.

Over the long-term, performance of the Private Infrastructure/Opportunistic Program is expected to equal or exceed the CPI-U, plus 700 basis points annualized and net of fees for the partnerships and program strategy over five-year rolling periods.

WATCH LIST POLICY

The Watch List Policy applies to all of the public markets managers. The Watch List is an intermediate state of heightened oversight, triggered by any change that could jeopardize an Investment Manager's ability to successfully fulfill their role for the Fund.

Qualitative Assessment

The qualitative aspect of each manager relationship will be monitored on an ongoing basis by the staff and Consultant. A significant and potentially adverse event related to, but not limited to, any of the following qualitative issues or events may either initiate a recommendation to place the manager on the Watch List or may initiate a Comprehensive Review, depending on the impact of the event or issue. Qualitative assessments will focus on:

- Departure of key personnel
- Significant loss of clients or assets under management
- Financial instability
- Significant change in organizational or ownership structure
- Investment strategy or style deviation
- Apparent breach in ethical behavior or integrity
- Significant and persistent lack of responsiveness to requests
- Contravention of any term or condition of the Investment Management Agreement not corrected within 30 days of the breach

- Chronic violations of the investment guidelines
- Extraordinary regulatory action or other proceeding affecting the manager's ability to perform its duties under the contract
- Any issue believed to undermine the staff, the Investment Consultant, and/or the Board's confidence in the manager.

Quantitative Assessment

In order to evaluate manager skill, trailing and rolling assessments of excess returns of public market managers will be evaluated quarterly by staff and the Consultant. The following measurement criteria will generally apply to quantitative assessments of manager performance.

- Over the three-year period, an Investment Manager's net return lags the assigned benchmark and the gross return ranks in the bottom quartile of the manager peer universe.

- Over periods five years and longer, an Investment Manager's net return lags the assigned benchmark and the gross return ranks below the median of the manager peer universe.

In addition, consideration will be given to both longer and shorter time periods as it relates to an Investment Manager's net returns relative to the assigned benchmark and manager peer universe rankings.

Course of Action

Due Diligence Review
Depending on the significance of the issue or event, the staff and Consultant will recommend to the Investment Committee an appropriate course of action**.** The Investment Committee will continue to monitor the situation and the staff and consultant will regularly report on any developments.

Watch List
A manager will be placed on the Watch List as a result of a significant and potentially adverse development. Being placed on the Watch List communicates to the manager concern about a particular situation. Staff and/or Consultant will meet with the manager within 90 days of being placed on the Watch List to discuss the situation and the steps needed to be taken to resolve the issue. A manager will remain on the Watch List for a specified length of time or until the issue is resolved. If the issue has not been resolved by the expiration of the specified time period, a Comprehensive Review may be initiated.

Comprehensive Review
A Comprehensive Review will be undertaken as a result of serious underperformance relative to its benchmark or as a result of a significant and adverse change to the managers' organization, personnel or investment process. These categories of events cause the staff and Consultant to seriously question the managers ability to achieve their investment objective. A Comprehensive

Review is a thorough, in-depth due diligence effort. The review must be completed within 90 days of initiation. The purpose of a Comprehensive Review is to recommend retention or termination of the manager to the Investment Committee.

MANAGER SELECTION PROCESS

The Board's selection of investment advisers, actuaries, auditors, and other service providers represent an exercise of its discretionary authority or control with respect to the management and administration of the Funds within the meaning of Section 1-711 of the Reform Act. The selection process is designed to avoid (i) self-dealing, (ii) conflicts of interest and (iii) other improper influences, all of which are incorporated in the prohibited transactions provisions of the Reform Act and which must be fully disclosed in an annual report of the Board.

The Investment Committee must first determine when it is prudent to engage in a manager search. After requisite training conducted by the investment consultant and/or Investment staff, the Board will authorize a search for an investment manager. The Investment staff will develop a set of quantitative and qualitative criteria for each particular search. The consulting team and staff will screen their databases to identify candidates which meet the criteria.

The Investment staff and consultant will narrow the list of qualifying candidates to 2-4 finalists. The consultant reviews the qualifying candidate list with the Investment Committee prior to the finalist interview presentations. Concurrently, the Board imposes a particular provision of the Conflict of Interest Guidelines, the "Lock-Out Rule", which is intended to protect the integrity of the search and selection process by prohibiting Board members and senior staff from having any non-official contact with the candidates. Selection of a candidate is subject to final due diligence and contract negotiations. If the Legal staff is unable to reach an agreement with the primary candidate, the staff may commence discussions with the secondary candidate. In the event the Board has not entered into a contractual relationship with a traditional manager (excluding alternative investments) who has been selected by the Board within four (4) months following the due diligence visit, then the Board's staff shall report such development to the Investment Committee who may decide to rescind such selection.

As a number of factors are necessarily considered when selecting an investment manager, the Board is under no obligation to select the manager that merely offers the lowest bid, although compensation must be reasonable in light of the services provided.

ALTERNATIVE INVESTMENT MANAGER PROCESS

Prospective investment opportunities will be evaluated based on three key criteria:

1. Strong fit within the Investment Plan for the Program;
2. Attractive current and expected market conditions for the strategy; and
3. Attractive firm and fund-specific characteristics, including but not limited to, the following:

    a. <u>Organization:</u> Firms considered for this Program may include established as well as recently formed organizations that are raising their first institutional fund. Organizational stability and alignment of interest (including, but not limited to, employee ownership, compensation, general partner commitment) will be important factors in evaluating potential investment opportunities.

b. Investment Experience: Investment teams are expected to have significant investment experience and expertise relevant to their investment strategy. If possible, the track records of the team members will be evaluated on a one-by-one basis.
c. Staffing: The organization must have a sufficient number of investment professionals and support staff to successfully implement the proposed strategy. The firm's principals should dedicate the majority of their time and effort to the proposed opportunity and make, within the context of their liquid net worth, a meaningful personal financial commitment. The amount of targeted capital commitments, average investment size and anticipated number of transactions should be reviewed to assess the appropriate staffing level.
d. Investment Strategy: The proposed strategy and business plan should be set forth in sufficient detail to permit substantive and meaningful review of the opportunity, the investment concept, and the risk factors. The proposed strategy and business plan shall provide reasonable assurance that the investment strategy will be differentiated in one of two ways: (i) a traditional investment with a specialized focus or (ii) a "cutting edge" investment strategy that is relatively new to the institutional marketplace. The risk/reward trade-off in the particular investment strategy and/or market should be attractive and based on reasonable assumptions and not competitive with existing investments.
e. Focus: Potential investments may include a very specific investment focus that differentiates the opportunity from more traditional opportunities. These opportunities may be focused on investing in "underserved markets", emphasize investments that impact a particular demographic, or possibly specify a designated geographic region for investment. These are only examples and the specific focus on any particular opportunity may be out of the above-mentioned areas of focus.
f. Fund Size: DCRB commitment shall not represent more than 20% of any one investment vehicle's total commitments, and any one investment vehicle may not comprise more than 20% of the Program segments (defined as fund commitment divided by target allocation to segment at the time of commitment).
g. Types of Investments: Prospective investments opportunities span the alternative investment segment, including, but not limited to, private equity (venture capital, buyout/corporate restructuring, expansion capital, international/emerging markets, special situations, distressed securities, and turnarounds), hedge funds (market neutral, credit/distressed, event, equity long/short, global macro, multi-strategy) and real assets (energy/natural resources, private real estate/infrastructure, commodities).
h. Terms: At a minimum, partnership terms are expected to be "in-line" with industry norms. However, the staff and Consultant will attempt to negotiate terms that will maximize the rights of the Board and other limited partners.

MANAGER TERMINATION DECISIONS

Investment Managers should be considered for termination when (1) their strategy no longer fits within the manager structure; (2) the investment manager breaches policy guidelines or contract previsions without authorization; (3) material adverse organizational change, ownership, personnel losses, asset size growth/decline; (4) change in investment philosophy or portfolio risk composition and structure; and/or (5) underperformance versus pre-established performance standards and (6) lost of confidence in the Investment Manager skills.

CRISIS RESPONSE PLAN

In case of a need for action between regularly scheduled Board meetings, the Board delegates decision-making authority to a team comprising the Executive Director, Chief Investment Officer, and Investment Committee Chair (the Crisis Response Team). The Crisis Response Team has delegated authority to take any necessary actions and will formally report any actions at the next regularly-scheduled Investment Committee/Board meeting, where any such action will be ratified by the Board.

MANAGER TRANSITION PROCESS

The transition of assets from one Investment Manager to another can generate significant expenses for the Board, both in terms of commissions and in diminished value from market impact of trades. As the facts and circumstances of transitions can vary significantly, the Board will seek to reduce the cost of reallocating assets by crossing and low cost trading.

SECURITIES LENDING

The Board has authorized its custodian to lend available portfolio securities to approved borrowers in accordance with the terms of the Securities Lending Agreement. The custodian makes every effort to allocate loans equitable among the participants. Daily allocations are subject to the number of loan requests and the availability of the requested securities in each account. The system of loan allocation conforms with the fiduciary requirements of ERISA.

CASH SWEEP

Uninvested cash balances must be kept to a minimum. The Investment Manager is responsible for managing cash levels while the custodian is responsible for the investment of cash. While extremes of "market timing" will not ordinarily be considered desirable, the Board realizes that some degree of market timing may be exercised by individual Investment Managers. Investment Managers have the discretion of placing a portion of their individual accounts in cash for temporary defensive purposes, when in their judgment, it is necessary to achieve the Board's investment objective and minimize risk. The custodian will automatically invest any available cash holdings in their Short-Term Investment Fund (STIF). Under normal market conditions, an equity manager may not hold more than 5 percent in cash and short-term securities. Fixed-income managers may invest up to 40 percent of the market value of their account in short-term securities, including cash and cash equivalents and without prior written notification and subsequent approval from the Board.

PROXY VOTING

Proxies are a significant and valuable tool in corporate governance and therefore have economic value. Equity Investment Managers must promptly vote and monitor proxies and related actions in a manner consistent with the Proxy Voting Guidelines. The Investment Manager shall exercise all voting rights consistent with its fiduciary duties. Detailed records of voting of proxies and related actions must be reported to the Board.

BROKERAGE

When placing orders with brokers and dealers, each Investment Manager's primary objective shall be to obtain the most favorable price and best execution available for the Board. In seeking to achieve that objective, the Investment Manager may consider a number of factors including, without limitation, the financial strength and stability of the broker, the efficiency with which the transaction will be effected, and the ability to effect the transaction where a large block is involved. Transaction costs shall be minimized through cross trading, program trading and by utilizing brokerage firms with a history of providing good execution. If Investment Managers effect a transaction that causes the Board to pay a commission in excess of the commission another broker would have charged for effecting such transaction, such transaction must be effected in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended and the Investment Manager must determine in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker utilized by the Investment Manager. The Investment Manager must identify and provide a written description to the Board of all soft dollar arrangements that affect the account and how the Board directly benefitted from the services to warrant added expense.

LOCAL BROKERAGE CREDIT

Investment Managers have full discretionary authority to select any broker-dealer they choose to execute securities transactions on behalf of the Board consistent with the principles of best price and execution. To the extent the selected broker-dealer maintains an office physically located in the District of Columbia that is subject to the Districts income and franchise tax, the Investment Manager should make reasonable efforts to ensure that all commission dollars generated by securities trading by the broker on behalf of the Board's account are credited on the books and records of the broker-dealer's District office.

REPORTING

Reports on investment performance (rates of return gross and net of Investment Manager fees), book and market values of portfolio assets, portfolio turnover rate, manager compliance and amount of commissions paid to minority-owned brokerage firms, minority brokers at majority firms and local brokerage credit must be submitted at least quarterly to the Investment staff.

Purchase and sale transactions must be submitted monthly. This report will show for each issue, purchased or sold, the total amount, average unit price, total cost or proceeds including accrued income, the identity of the executing and clearing broker, and commissions paid. The Investment

Manager must reconcile monthly statements with the custodian and notify the Investment staff and the Investment Consultant of any material differences.

Each Investment Manager shall notify the Board promptly (within seven days) in writing of any extraordinary circumstances or events (such as material ownership changes; any reorganization; significant change in financial condition; meaningful change in investment personnel; significant change in investment philosophy; substantial loss or increase in clients; unusual market activity or any other significant event) which may arise in connection with either any investment in the portfolio or any material organization or personnel event. Such notification shall include full details regarding the extraordinary event and the Investment Manager's proposed actions. Unless notified by the Board to the contrary in writing, the Investment Manager shall have full discretion to deal with the extraordinary circumstance or event in accordance with its fiduciary responsibilities under the Investment Advisers Act of 1940 and under its Investment Management Agreement with the Board.

In the event of non-compliance with these guidelines, whether reported by the Investment Manager or detected by the Board or its agent, the Investment Manager will be required to provide a statement describing the non-compliance event, the reason for its occurrence, and actions planned to correct the event and to prevent its occurrence in the future.

INVESTMENT STRUCTURE

The Boards investments are expected to maintain certain minimum characteristics which shall be viewed as guidelines in formulating investment strategies. For traditional asset classes, Investment Managers generally may not invest more than 5% of a portfolio measured at cost in the debt or equity of any one company. In addition, prudent diversification standards should be developed and maintained by the Investment Manager. The ratings provided for in the investment guidelines are for guidance. The Investment Manager is responsible for making an independent analysis of the credit worthiness of securities and their appropriateness as an investment regardless of the classification provided by any rating service.

Equity

Equity securities generally include common stocks, units of beneficial interest, preferred stocks, convertible securities, warrants and rights to purchase common stock, exchange traded futures and options, sponsored American Depositary Receipts and shares of foreign companies traded on U.S. stock exchanges and international equity securities.

Investment in domestic common and preferred stocks shall be limited to securities of corporations listed on the New York Stock Exchange, American Stock Exchange, NASDAQ National Market and those over-the-counter securities of sufficient liquidity to be readily marketable.

Fixed Income

Fixed income securities generally include publicly traded debt securities issued by the United States Government or agencies and instrumentalities of the United States Government, domestic and foreign corporations and banks and other financial institutions, mortgage backed securities issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage

Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC), non federally insured mortgage backed bonds, permissible Collateralized Mortgage Obligations, municipal securities, asset backed securities, 144A, TBA securities, Yankee bonds, exchange-traded futures and options, high yield, emerging market debt obligations and other permissible derivative instruments.

For the most part, debt investments are limited to the first four quality grades as established by Standards & Poors and Moodys. Ratings of less than BBB or BAA are also permissible if authorized in writing by the Board. If an issue is split-rated, it will be governed by the lower quality rating.

Cash Equivalents
Cash equivalents include publicly traded debt securities issued by the United States Government or agencies of the United States Government, commercial paper, certificates of deposit, and short term investment or money market funds of institutional quality of entities domiciled in the U.S. with effective maturities of 90 days.

Private Equity
The private equity portfolio consists of investments in leveraged buy-outs funds, mezzanine funds, fund-of-funds, special situations, secondaries and venture capital funds. Fund investments are typically structured as limited partnerships. Leverage buy-out and mezzanine investments may be made in debt, equity or both and may be in operating or holding companies. Funds are expected to hold a diverse portfolio of underlying investments and may invest at various stages of a companys development, not including seed companies.

Real Estate
Real estate will focus on core to value-added commingled real estate vehicles (80%), complemented with a portfolio of REITs or real estate related securities (20%). Core investments will be fully-leased, multi-tenant properties in major metropolitan markets acquired with low to moderate (less than 50% loan-to-value) leverage. Value-added investments will consist of multi-tenant properties in major metropolitan markets that have some leasing or repositioning risk and may also use more leverage (60% to 75% loan-to-value).

PROHIBITED INVESTMENTS

A. The Investment Manager shall not invest in the following:

- Real property, real estate trust securities or real estate investment trusts comprised of properties located in Washington, D.C., Maryland and Virginia. The Investment Manager shall not invest in loans, mortgages, bonds, notes, bills or any other evidence of indebtedness secured in whole or in part by real property of such jurisdictions.

- Interest bearing bonds, notes, bills or any evidence of indebtedness of the governments of the District of Columbia, the Commonwealth of Virginia and the State of Maryland, the government of any political subdivision thereof, or of any entity subject to control by any such government or any combination of any such governments.

- Any obligations secured by or fully guaranteed as to the payment of both principal and interest by the government of the District of Columbia, the Commonwealth of Virginia, the State of Maryland, the government of any political subdivision thereof, or of any entity subject to control by any such government or any combination of any such governments.

- Stocks, securities or other obligations of companies which do business with the Government of Sudan and currently appear on the Sudan Scrutinized Company List.

- Stocks, securities or other obligations of companies which do business with the Government of Iran and currently appear on the Iran Scrutinized Company List.

B. The Investment Manager is authorized to invest in real estate investment trusts (REITs) or other similar pooled investments without regard to specific jurisdictional limitations proscribed in paragraph A above provided the Investment Manager determines that such investment does not constitute plan assets under the U.S. Department of Labor (DOL) plan asset regulations described at section 2510.3-101 of Title 29 of the Code of Federal Regulations, or any subsequently revised Federal regulations **.**

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